**Q: I applied for the EIDL loan and got a confirmation but no money yet. Will I get the money or are they tapped out?**

A: The EIDL loan process is being handled directly by the SBA - it has been running substantially behind. They are supposed to email you when they start working on your application. The advance payments were supposed to be issued within 3 business days. It’s possible the EIDL advance was paid well in advance of when they were actually processing your EIDL loan (not sure if this is answering another question)

**Q: If I receive a PPP loan and an EIDL loan, what amount should I ask forgiveness for? Is it the amount of the PPP loan minus the EIDL loan?**

A: The EIDL loan advance is forgiven if you are not approved for the EIDL loan. If you are approved for EIDL then the advance is rolled into your EIDL loan.

**Q: Is the forgiven loan taxable?**

A: A: The forgiven loan is intended to be an offset to cover your expenses and not intended to be taxable income.

**Q: Owners of a small firm receive payroll only at the end of the year. Since they didn't get paid during the Jan-Feb base period, are the still entitled to PPP?**

A: Many small businesses do not pay owners payroll every month or every other week, during the 8-week forgiveness period. Payroll will need to be paid in a regular manner to qualify for forgiveness.

**Q: Do you know if FICA and federal tax withholding has to be backed out of gross salary paid for PPP loan forgiveness?**

A:The withholding does not need to be backed out – it is included in gross pay. But the employer share of FICA is not an eligible expense for payroll costs under the PPP loan

**Q: If you have a partner getting Guaranteed Partner Payment (GPP) and the GPP was not addressed by the PPP, and his portion of Group Insurance is part of his GPP is this covered by the PPP loan as would be the net of the 941 Employee portion?**

A: The partner’s group insurance should be part of the PPP loan forgiveness if paid. One caveat – group insurance is not part of the PPP loan forgiveness for self-employed individuals. Technically partners are self-employed, GPP or not. But their benefits were allowed by most banks during the PPP calculation process. there is not good clarification if partners will be treated the same as Schedule C self-employed individuals

**Q: When will the SBA portal open for the EIDL loan and EIDL Advance Loan?**

A: they should be open now if not already closed out

**Q: What kind of documentation is going to be required to provide evidence that the proceeds were only used for payroll, rent, health insurance?**

A: Banks will determine this but generally payroll reports for the eight-week period, proof of rent payments (not sure if you will have to show a copy of your leases), bills for the health insurance premiums plus proof of payment, bills for the utilities like telephone plus proof of payment, etc.

**Q: Will the payroll comparison, for purposes of determining the forgiveness of the loan, be based on our payroll amount as of the date of loan application?**

A: the measurement period for the eight-week forgiveness will be wages paid to the employee during the most recent first quarter. So most likely the first quarter of 2020.

**Q: We had a PPP application in for the first round through our bank and did not succeed. We then reapplied through the same bank and were told they had everything they needed and would submit the application as soon as the second-round funds were available. We have received no SBA number and no information. We have tried to reach out to the bank but to no avail. What should I do?**

A:Call AND email the bank and if calling keep asking for a supervisor or manager until you get a correct response

**Q: Do you believe that the federal funds will be sufficient?**

A: The Treasury has gone back to congress twice already for additional funds. That being said, for businesses that are eligible, you should get your application in as soon as possible.

**Q: Can you prepay expenses to get them into the 8-week period?**

A: A: It should just be for that period - so 2 months’ worth of rent, utilities, and payroll. Expenses should be for eligible expenses for the 8 weeks - for instance, May and June rent payments.

**Q: For retirement contributions, is there a limit to the amount that can be contributed to retirements accounts? Does that also need to match contributions from previous periods?**

A: Retirement contributions will need to be paid during the 8 weeks, so this may require additional payments for many businesses who normally just pay matching at year end or other times. $100k is the annual limit per person, so $8,333 per person per month.

**Q: Do you go by accrued payroll or paid payroll?**

A: We have been tracking paid payroll during the period. Hopefully over the 8 weeks the timing will work out so paid and accrued payroll will be substantially the same.

**Q: We read that each business has to prove that the PPP loan was necessary. What qualifies as necessary?**

A: Essentially that you were impacted by the shutdown and the financial viability of the business has been affected, which jeopardize its ability to continue.

**Q: My 8 weeks ends on July 12. Can I pay my July 15th payroll a little early to be included?**

A: I’d say as long as you are paying the equivalent of 8 weeks during the period you are ok, but I would not pay more than 8 weeks’ worth and expect it to be reimbursable.

**Q: I have a dental practice in NY .What if I get funded now but can’t open up for at least another month. How do I use the PPP funds?**

A: The theory was to try to time your PPP application with when you will re-open. That being said, paying things like rent in advance of opening would still qualify. Also, you could still pay employees as you work to reopen.

**Q: Is there specific guidance from the SBA on the 30 hour FTE, besides reference to the ACA? The GAO says 40 hours.**

A: For the PPP a FTE is 30 hours per week. You CANNOT say that three people working 40 hours per week (or 120 hours total) count as four FTE. This is special for this loan and the SBA should have guidance on that now.

**Q: If the last day for the loan forgiveness is in the middle of payroll period do you need to pay up to that day to include the number in forgiveness, and then finish paying at the end of the pay period?**

A: Yes and make sure the funds come out of your account the last day of your eight-week period

**Q: Are employer taxes included in payroll costs?**

A: only State unemployment or certain local employer paid taxes are eligible. Employer paid FICA and FUTA are not eligible.

**Q: If you employees were laid off prior to receiving any PPP funds and they all filed for UE do you leave them on UE or pay them with PPP funds?**

A: If there is no work they can do and they make more or the same on unemployment, we are generally not advising them to re-hire until you are close to re-opening

**Q: If you pay an incentive to get someone back in the door, can that amount also be forgiven along with their payroll?**

A: Yes - as long as its paid during the 8-week window, is paid through payroll, and does not exceed $100,000 annualized.

**Q: Will we need the head count and payroll to maximize the forgiveness potential?**

A: To maximize the forgiveness, you need to be paying an average of 75% of the compensation previously paid to employees.

**Q: What happens if you applied for both the $10k emergency "grant" fund and the PPP loan, and the PPP loan is funded before the grant?**

A: This is happening a lot. You may still get approved for the EIDL loan. The rule we've heard from the SBA as a clarification is that if you get both loans you cannot use EIDL $ to pay payroll (only PPP money).

**Q: If we are treating forgivable expenses as those that are be incurred and paid over the covered period (i.e. the 8 weeks after funding) do you think the gross wages that we are comparing to, for purposes of forgiveness, should also have been incurred and paid during the lookback period?**

A: We believe the answer is yes. Definitely they should be paid during the eight-weeks, the question is incurred and while no technical guidance we have seen on that part, based on the information out there we tell clients incurred during the eight-weeks as well just ot make sure.

**Q: Can current 1099 employees be changed to regular employee status?**

A: They can be, but in order to get PPP loans, it’s limited to your 12-month trailing payroll. If you don't have payroll paid in the last 12 months, you might be limited to not having an eligible payroll for loan purposes.

**Q: Over 50% of my employees are 1099. 1099 expenditure was not calculated in the PPP award. Will there be forgiveness when I start paying them again?**

A: 1099 payments will NOT be part of the loan forgiveness under the PPP. You can use the EIDL loan proceeds to pay them. Since 1099/self-employed individuals are eligible to get a PPP loan themselves, the SBA changed the original loaw so there was no double dipping.

**Q: When do we file for forgiveness? Right after the 8-week period ends, or later in the year?**

A: after the eight-weeks ask the bank from which you received the funds. We are hearing later in the year is when the process will start but that could change.

**Q: The 2020 lookback (1Q20) is about 13 weeks and the covered period is 8 weeks. How do we reconcile this for the 75% payroll calculation?**

A: the 75% of payroll calculation is technically based on per employee and is based on the average monthly earnings for that employee, not the full quarter. There are examples out there where total payroll is used but the quarter payroll is prorated for the two months.

**Q: Is there a list of what "utilities" are?**

A: Gas, water, electric, telephone, internet, and gas for business auto/truck use as far as we know. No specific guidance has been given that we are aware of.

**Q: Is unemployment tax included in the forgivable (75%) expenses?**

A: State unemployment yes, federal unemployment no

**Q: Can the payroll of people who were on the payroll voluntarily during the base payroll period, but who left the company prior to the receipt of the loan, be excluded from the forgiveness calculations? They were not furloughed, are not yet replaced, and were not counted in the loan amount requested.**

A: if those people were included in the calculation of the PPP our understanding is that they are included to determine forgiveness. If they were not included in your calculation of PPP, while no specific guidance, we feel that they should not be included

**Q: If you have revenue over $5 million and you put in an application and have not heard back, what should you do? Should you try another bank?**

A: First try to contact a rep at your bank.

**The ZoomCast will be made available here: https://mdtechcouncil.com/about/capital-m-podcast/**